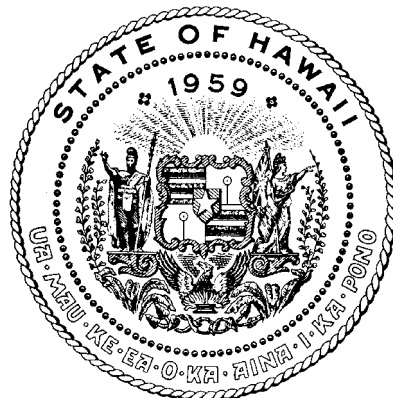


*More than  
just a  
paycheck . . .*

**Summary of**

# **EMPLOYEE BENEFITS**

**for  
State of Hawaii  
Employees**



## MESSAGE TO STATE OF HAWAII EMPLOYEES

*As an employee of the State of Hawaii, you are part of our ohana - our family. And families care about each other, which is why we offer you a compensation package designed to meet your needs now and throughout your career with the State.*

*The salary you receive from the State is only a part of your total compensation. We'd like to help you understand more about the **total** compensation package you receive as a valued member of our State team.*

*This booklet summarizes the State's benefit programs which provide the economic security and quality of life that you and your family want today and in the future.*

*Our objective is to meet the needs of each eligible employee - for career advancement, vacation/sick leave, medical and retirement benefits, and elective leave for family crises. These are at the heart of our total compensation plan.*

*We hope you find the booklet helpful in meeting your informational needs.\**

*If you have questions or need further information, your Departmental Personnel Office will be able to help you get the answers you need.*

\*Please note that the information in this booklet provides a summary of benefits generally offered to eligible employees and does not constitute a legal document or contract. Benefits vary by type of employment appointment and collective bargaining agreement, and are subject to change. For further information, please contact your Departmental Personnel Office or refer to the applicable rules, laws, collective bargaining agreements or benefit plan documents.

## **PUBLIC SERVICE - SHAPING HAWAII'S FUTURE**

Working for the State means working for Hawaii.

As stewards of our state, you provide vital services to our citizens, contribute to the growth and development of Hawaii's economy, and make Hawaii a better place to live. You have good reason to be proud, because you and your fellow employees are the ones who lead this great State forward.

## **MORE THAN JUST A PAYCHECK**

The State of Hawaii is one of Hawaii's largest employers and offers you a competitive compensation package. Your ***total*** compensation is comprised of two major parts - your **salary** and your **benefits**.

In addition to your salary, which is an important part of your compensation package, you may be eligible for a broad range of valuable benefits, including comprehensive health insurance, life insurance, a retirement plan, sick leave, vacation leave, and paid holidays. All of these are part of compensation that goes beyond salary.

## **FAMILY TIME AND VALUES**

We understand that preserving and promoting family time and values is very important.

We know that you need to spend quality time with your family. Most State jobs are conducive to a standard workday with regular work hours. And because the State holiday calendar is essentially the same as the public school system's, many parents can enjoy celebrating the holidays with their children. The State also gives each department the option to implement a job-sharing program and a flexible or variable work hours program. Please check with your supervisor and/or your Departmental Personnel Office for more information.

You may be eligible for Family Leave (or use of your sick leave) for the birth or adoption of a child. Expectant mothers may also use sick leave for prenatal or post-natal check-ups or any illness related to pregnancy. Family Leave can also be used to care for your child, spouse or parent with a serious health condition. A leave of absence without pay of up to a year may be approved regardless of your paid leave credit balance.

The State also recognizes that families may face crises and problems. So it created "REACH" (Resource for Employee Assistance and Counseling Help). The REACH program provides confidential diagnostic assessment, information, referral, and short-term professional counseling services, free of charge for up to three visits, if you are experiencing personal problems that affect your work. Please check with your Departmental Personnel Office for more information.

## **HOLIDAYS/VACATION/SICK LEAVE/OTHER LEAVES**

We offer an attractive holiday, vacation and sick leave package to salaried employees.

### **Holidays**

You may have 13 paid holidays per year (14 during an election year), compared to an average of 10 holidays offered by private companies.

These State holidays are:

New Year's Day  
Dr. Martin Luther King, Jr. Day  
Presidents' Day  
Prince Jonah Kuhio Kalanianaʻole Day  
Good Friday  
Memorial Day  
King Kamehameha I Day

Independence Day  
Statehood Day  
Labor Day  
Election Day (during an election year)  
Veterans' Day  
Thanksgiving Day  
Christmas Day

### **Vacation and Sick Leave**

Depending on your date of hire, years of service, and terms of your collective bargaining agreement, you may be able to earn up to 21 days of sick leave and 24 days of vacation leave each year. Vacation and sick leave may be used only after the probationary period is successfully completed.

Vacation can be accumulated up to a total of 90 days (720 hours). Bargaining Unit 11 employees on a 56-hour work week schedule can accumulate up to 1060 vacation hours. There is no limit on the accumulation of sick leave. In addition, unused accumulated sick leave may eventually be used to increase your retirement benefits in certain situations.

For employees hired on or after July 2, 2001 and employed in the following Bargaining Units:

#### **Bargaining Units 01, 02, 03, 04, 09, 10, 13 (and their excluded counterparts)**

<b>Years of Service Completed</b>	<b>Vacation Leave Earned Per Month</b>	<b>Sick Leave Earned Per Month</b>
Less than 5	8 Hours = 1 Day	10 Hours = 1-1/4 Days
5-9	12 Hours = 1-1/2 Days	
10-19	14 Hours = 1-3/4 Days	14 Hours = 1-3/4 Days
20+	16 Hours = 2 Days	

For employees hired on or before July 1, 2001 and employed in the following Bargaining Units:

#### **Bargaining Units 01, 02, 03, 04, 09, 10, 13 (and their excluded counterparts)**

<b>Vacation Leave Earned Per Month</b>	<b>Sick Leave Earned Per Month</b>
14 Hours = 1-3/4 Days	14 Hours = 1-3/4 Days

For employees employed in Bargaining Unit 11 (Hawaii Fire Fighters Association)

#### **Bargaining Unit 11 (and their excluded counterparts)**

<b>Vacation Leave Earned Per Month</b>	<b>Sick Leave Earned Per Month</b>
14 Hours = 1-3/4 Days	14 Hours = 1-3/4 Days
20 Hours*	20 Hours*

\* Employees assigned to 24-hour work shift.

### **Family Leave**

Under the **Federal Family and Medical Leave Act (FMLA)**, you may be eligible for up to 12 weeks of unpaid FMLA leave during any 12-month period, which is defined as a calendar year for State employees. You may be eligible for the following reasons:

- Birth of a child;
- Placement of a child with you for adoption or foster care;
- To care for your child, spouse, or parent with a serious health condition;
- If you suffer from a serious health condition that is affecting your job duties.

To be eligible for FMLA benefits, you must have worked for the State for at least 12 months (need not be consecutive) and worked at least 1,250 hours over the 12-month period immediately preceding your leave.

You may be required to provide:

- 30 days advance notice of the need to take FMLA leave;
- Medical certifications and recertification;
- A second or third medical opinion; and
- Periodic reports regarding your status and intent to return to work.

If the leave is due to your own illness, you may be required to complete a Fitness-for-Duty certificate before returning to work.

### **Shared Leave**

Under the **State's Leave Sharing Program**, you may be eligible to give and receive donated vacation credits. The purpose of this program is to ease the burden of fellow employees who would otherwise need to take time off from work without pay to recover from a serious personal illness/injury or to care for a family member who has a serious personal illness/injury and is incapable of self care.

### **Other Leaves**

You may be eligible for time off with pay for a death in the family, jury duty, military duty, parent-teacher conferences, blood donations and blood testing for bone marrow matches.

You may be eligible for wage loss replacement benefits if you suffer a work injury (workers' compensation benefits) or a non-work injury (temporary disability benefits).

Upon request and approval, you may be eligible for certain leaves of absence without pay such as educational leave, and work at the State Legislature. For more specific information on leaves of absence, refer to your applicable collective bargaining agreement or contact your Departmental Personnel Office.

## HEALTH INSURANCE

The State offers eligible employees a choice of health insurance plans - medical, dental, drug, and vision - through the Hawaii Public Employees Health Fund. In addition, some employee organizations (such as unions) offer alternative health insurance plans.

The State pays:

- 100% of the premium for the **Children's Dental Plan** for unmarried dependents under age 19, and
- 60% of the monthly premiums for the **Medical\*, Adult Dental\*, Prescription Drug\*, and Vision Care Plans**.

Best of all, there's no waiting period, unlike most private employers' health plans, which means immediate coverage for you and your family.

You can choose to apply the State's contributions to either the Health Fund plans or your employee organization plans, depending upon availability.

And if you qualify for the **State's Premium Conversion Plan**, you can increase your take-home pay by having the State deduct the cost of the health insurance premiums before payroll taxes are withheld.

For more information on the health insurance plans, please call your Departmental Personnel Office or your Employee Organization Representative, as appropriate.

*\*Subject to change in collective bargaining agreements. An additional amount is paid for employees in Bargaining Units 01 and 10.*

### **Premium Conversion Plan**

The State's Premium Conversion Plan (PCP) provides an opportunity to most health benefits plan participants to save some tax dollars and make the most of their paychecks. If you are an employee of the State and enrolled in any health benefits plan offered through the Hawaii Public Employees Health Fund or union health plan that qualifies under the PCP Rules, your income will be taxed after your health benefits contributions are deducted, so your take-home pay should be greater than if you do not enroll.

## **RETIREMENT PLANS**

The State understands the importance of retirement planning. That is why, in addition to your pension from the Employees' Retirement System (ERS), other retirement savings plans are available to help you make the most of your current income and prepare you for retirement years.

### **Employees' Retirement System**

Unlike most private employers' pension plans, the State's employee retirement plan has no "offset." This means that your retirement benefits will not be reduced if you become eligible for Social Security. The ERS will help you keep up with inflation by providing an automatic 2.5% post-pension increase on your original retirement allowance effective July 1, beginning the calendar year after retirement.

Also, if you were hired before July 1, 1996 and retire with at least 10 years of service or have a total of 25 years of service, your medical, dental, drug, vision and life insurance plans are available at no premium cost. However, if you were hired or rehired after June 30, 1996, and retire with 10 but less than 25 years of service, these benefits are available on a cost sharing basis.

You may also be eligible for **mortgage loans** through the ERS.

### **Noncontributory Plan**

The State contributes 100% to a retirement plan for all eligible employees. Most employees hired after June 30, 1984 are required to join the Noncontributory Plan. Under this plan, you may retire with full benefits after 10 years of service and receive full benefits at age 62, or with 30 years of service at age 55 without an age reduction penalty. Should you terminate membership with 10 years of service before age 62, benefits are payable at age 65.

Upon retirement, your benefit is based on your years of service multiplied by 1.25% of the average of your 3 highest years of pay (average final compensation).

Since you make no contributions, there is more money available in your paycheck for your present needs and/or to fund a voluntary individual retirement savings plan.

### **Contributory Plan**

Under the Contributory Plan, if you were hired before June 30, 1984, you contribute 7.8% of your salary to a retirement fund. The State also contributes to this fund.

After 5 years of service, you may retire at age 55 and receive full benefits. Your retirement benefit is based on your years of service multiplied by 2% of the average of your 3 highest years of pay.

Certain groups of employees are covered by special provisions of the Contributory Plan, so their benefits are based on a different rate and benefit formula.



### **Deferred Compensation Plan (IRC 457)**

One of the most important retirement benefits you have as a State employee is the opportunity to participate in the State Deferred Compensation Plan. This is a voluntary pre-tax retirement savings plan designed to give you a tax break today and build a "nest egg" for your future.

Should you choose to participate, your contributions are made before taxes through the convenience of payroll deduction. There are several types of savings and investment options for you to choose from. You may withdraw your accumulated funds upon your termination of employment (deferred compensation), retirement, or a qualified unforeseen emergency. In the event of your death, these funds will be available to your designated beneficiaries.

And because the payroll deductions are made before taxes are withheld, you may be able to save on your taxes with each paycheck.

For more information, please visit our website at: <http://www.hidcp.com>

### **Tax-Deferred Annuity Plan (IRC 403 (b))**

If you are an employee of the Department of Education (DOE) or University of Hawaii (UH), you may also have the option, in addition to the State Deferred Compensation Plan, of participating in the 403(b) Tax-Deferred Annuity Plan (TDA). Similar to the Deferred Compensation Plan, contributions are made before taxes through payroll deductions and provide supplemental income to your regular retirement benefits. University employees may view the list of authorized agents and related information at: <http://www.hawaii.edu/ohr>

## RETIREMENT PLANS

### Summary of Provisions of Noncontributory and Contributory Benefit Plans

		<b>Noncontributory Plan</b>	<b>Contributory Plan</b>
<b>Employee Contributions</b>		NONE	7.8% of salary
<b>Service Retirement</b>	<i>Eligibility</i>	Age 62 and 10 years of service, OR Age 55 and 30 years of service	Age 55 and 5 years of service
	<i>Benefit</i>	1-1/4% of *AFC x years of service	2% of *AFC x years of service
<b>Early Service Retirement</b>	<i>Eligibility</i>	Age 55 and 20 years service	Any age and 25 years service
	<i>Benefit</i>	Maximum allowance reduced 6% per year under age 62	Maximum allowance reduced 5% per year under age 55 plus 4% per year under age 50
<b>Ordinary Disability Retirement</b>	<i>Eligibility</i>	10 years service	10 years service
	<i>Benefit</i>	Maximum allowance	1-3/4% of *AFC for each full service with a minimum of 30% of *AFC
<b>Service-Connected Disability Retirement</b>	<i>Eligibility</i>	Any age or length of service	Any age or length of service
	<i>Benefit</i>	Maximum allowance, but not less than 15% of *AFC	50% of the *AFC and return of retirement contributions.
<b>Ordinary Death</b>	<i>Eligibility</i>	Active employee at time of death with at least 10 years of service	Active employee at time of death with at least 1 year of service
	<i>Benefit</i>	Surviving spouse or reciprocal beneficiary and dependent children receive pension equal to a percentage of member's maximum allowance or an Option B (100% Joint Survivor) benefit for the surviving spouse or reciprocal beneficiary if eligible for retirement	Lump sum payment of member's accumulated contribution plus a percentage of final year's salary or Option 2 (100% Joint Survivor) benefit if eligible for retirement and one beneficiary designated or Option 3 (50% Joint Survivor) benefit if not eligible for retirement, credited with 10 years of service and one beneficiary designated
<b>Service-Connected Death</b>	<i>Eligibility</i>	Any age or service	Any age or service
	<i>Benefit</i>	Surviving spouse or reciprocal beneficiary and dependent children receive pension equal to a percentage of a member's maximum allowance or AFC*	Lump sum payment of member's accumulated contributions, plus pension of 50% of AFC* to surviving spouse or reciprocal beneficiary, dependent children or dependent parents

\*AFC = Average Final Compensation. AFC is the average salary for your 3 highest years excluding vacation. If member prior to 1/1/71, AFC can be your 5 highest years plus any vacation payment.

## **OTHER BENEFITS**

In addition to comprehensive health insurance, the State offers you a variety of other benefits, including life insurance, ***Island Flex*** flexible spending accounts, Flex Park (pre-tax parking benefit), workers' compensation benefits, and temporary disability benefits.

### **Group Life Insurance Plan**

The State pays the monthly contribution for group life insurance coverage. No employee contributions are required. This is offered by the Hawaii Public Employees Health Fund.

In addition, some employee organizations (such as unions) offer alternative group life insurance plans. For more information on the group life insurance plans, please call your Departmental Personnel Office or your Employee Organization Representative, as appropriate.

### **Long Term Care Insurance**

Employees, retirees and certain eligible persons, including their spouses or reciprocal beneficiaries, as well as their parents and grandparents, and in-law parents and grandparents, may enroll in the Hawaii Public Employees Health Fund's long term care insurance plan on a voluntary, self-pay basis.

### **Island Flex Plan**

So often, we find ourselves making critical health choices or putting off necessary health care because of the high unexpected costs not budgeted for in the family finances. Dependent care is also a financial concern for many families where both partners, or especially single parents, need to work to support the household. This means they must find suitable arrangements for dependent care, whether it be a baby-sitter, preschool, or after-school program for their child, or even adult day care for their dependent spouse or parent.

Effective July 1, 2000, the State of Hawaii offered a new benefit program called ***Island Flex***. ***Island Flex*** FSA (flexible spending accounts) is an employee benefit program that provides you with a way to pay for your eligible health care expenses and dependent care expenses with TAX FREE money. By directing "before tax" money from your paycheck into one or both of these accounts, you can put up to 41% of the money you are spending on eligible expenses back into your pocket. For many State employees, ***Island Flex*** is a great way to turn certain out-of-pocket medical, dental, drug, and vision expenses and dependent care expenses into tax savings and greater spendable income.

For more information, please visit our website at: <http://www.rrho.com/cfp/>

### **Flex Park**

This benefit program enables State employees of the Executive Branch to have eligible parking fees deducted before Federal, State, and FICA taxes are calculated. Eligible parking fees are those for temporary or permanent parking assignments in a lot administered by the Department of Accounting & General Services.

### **Workers' Compensation Benefits**

If you suffer a work-related injury or illness, benefits will be available to cover all medical expenses as the nature of your injury/illness requires for as long as reasonably needed and a portion of your wages while you are out of work. Plus, you will have the option to use any available sick leave or vacation leave in combination with the workers' compensation benefits to ensure a full paycheck. Workers' compensation benefits are provided by the State at no cost to you.

### **Temporary Disability Benefits**

If you suffer a non-work related injury or illness, you may be eligible for benefits which cover a portion of your wages. There is a seven-day waiting period. Eligibility is dependent upon whether you have less than 120 hours of sick leave since January 1 until the start of your disability, and whether you have exhausted all of your sick leave. The number of weeks of benefits available to you under the State's Temporary Disability Benefits Plan will depend on the number of hours of sick leave you have. Temporary disability benefits are provided by the State at no cost to you.

## **TRAINING AND CONTINUING EDUCATION**

We understand the importance of your professional growth. That's why we encourage and support developmental activities related to your work. You may have the opportunity to attend in-service training, professional conferences, or seminars. And after seven years of continuous service, you may qualify for up to one-year sabbatical leave and still receive a good portion of your salary. You are welcome to discuss your training and development needs with your supervisor.

## COMPARATIVE BENEFITS - STATE VS. PRIVATE INDUSTRY

	STATE*	PRIVATE**
HOLIDAYS	<ul style="list-style-type: none"> <li>• 13 days per year</li> <li>• 14 days per year during an election year</li> </ul>	<ul style="list-style-type: none"> <li>• 10-12 days per year</li> </ul>
SICK LEAVE	<ul style="list-style-type: none"> <li>• 15-21 days per year</li> <li>• Unlimited accumulation</li> </ul>	<ul style="list-style-type: none"> <li>• 12-15 days per year</li> <li>• Limited accumulation</li> </ul>
VACATION LEAVE	<ul style="list-style-type: none"> <li>• 12-24 days per year</li> <li>• Up to 90 days accumulation limit</li> </ul>	<ul style="list-style-type: none"> <li>• 10 days after 1 year</li> <li>• 15 days after 5 years</li> <li>• 20 days after 10-15 years</li> </ul>
HEALTH INSURANCE	Employer pays 60% for single or family coverage; no waiting period	Employer pays 75%-100% for single or family coverage
DENTAL INSURANCE	Employer pays 60% for adult coverage and 100% for eligible children; no waiting period	Employer pays 85%-100% for single or family coverage
GROUP LIFE INSURANCE	Benefit of \$5,000 - \$25,000 depending on employee's age; \$1,800 for retirees	Benefit of 1 to 2 times annual salary of \$25,000-\$50,000 flat amount
PENSION	<p>Noncontributory and Contributory plans (Defined Benefit Plan)</p> <p>Benefits based on earnings and years of service</p> <p>Other Plans: Deferred Compensation and Tax-Sheltered Annuity Plans</p>	<p>Generally, noncontributory plans</p> <p>Benefits vary, based on earnings and years of service</p> <p>Other Plans: 401(K) Plans</p>

\*Benefits effective in 2001 and may vary by collective bargaining agreements. Subject to change.

\*\*Prevailing practices of large Hawaii companies in 1999 from the Hawaii Employers Council.

## **FOR MORE INFORMATION**

We hope this brief summary of your benefits has been helpful to you. If you need more benefit plan information, please call your Departmental Personnel Office at the number listed on the back of this booklet, or call the following offices:

### **HAWAII PUBLIC EMPLOYEES HEALTH FUND**

586-2121

### **EMPLOYEES' RETIREMENT SYSTEM**

Hawaii	974-4077
Maui	984-8181
Kauai	274-3010
Oahu	586-1736

For Neighbor Islands, you may also call the Oahu office toll-free at:

Hawaii	974-4000 ext. 61736
Maui	984-2400 ext. 61736
Kauai	274-3141 ext. 61736
Molokai/Lanai	1-800-468-4644 ext. 61736

### **DEFERRED COMPENSATION PLAN/HAWAII BENEFITS, INC.**

From Oahu, please call 523-9102

From the Neighbor Islands, please call 1-800-272-7267

For more information, please visit our website at: <http://www.hidcp.com>

### **ISLAND FLEX PLAN**

Comprehensive Financial Planning, Inc. 596-7006.

From Neighbor islands, you may call toll-free at 1-877-550-5552.

For more information, please visit our website at: <http://www.rrihi.com/cfp/>

Note: If you need any auxiliary aids or services (large print, braille, etc.), contact the Department of Human Resources Development at 587-1070.

Produced for the valuable employees  
of the State of Hawaii by the  
Department of Human Resources Development

For further information, please contact your Departmental Personnel Office.

**Personnel Offices**

Accounting and General Services	586-0369	
Agriculture	973-9481	
Attorney General	586-1234	
Budget and Finance	586-1598	
Business, Economic Development and Tourism	586-2440	
Commerce and Consumer Affairs	586-2838	
Defense	733-4243	
Education - Employee Benefits Section	586-3245	
Governor's Office	586-0040	
Hawaii State Public Library System	831-6860	
Hawaiian Home Lands	587-6436	
Health	586-4513	
Human Resources Development	587-1150	
Human Services	586-4959	
Labor and Industrial Relations	586-9044	
Land and Natural Resources	587-0180	(TTD: 587-0190)
Lieutenant Governor's Office	586-0239	
Public Safety	587-1230	
Taxation	587-1504	
Transportation	587-2145	(TTD: 587-2322)
University of Hawaii	956-6416	

TTD = Text Telephone (for equal access to telephone use)